

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

TOWN OF CICERO

HAMILTON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/22/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice L. Unger	01-01-04 to 12-31-07
President of the Town Council	William L. Holliday Carl A. Harvey	01-01-04 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CICERO, HAMILTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Cicero (Town), for the period of January 1, 2004 to December 31, 2005. The Town's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 2, 2006

TOWN OF TOWN OF CICERO
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 1,651,533	\$ 1,849,620	\$ 1,594,098	\$ 1,907,055
Motor Vehicle Highway	228,883	140,113	89,330	279,666
Local Road and Street	99,655	56,552	60,937	95,270
Fire Apparatus	(19,954)	21,488	1,534	-
Donation	147	2,337	579	1,905
Law Enforcement Continuing Education	2,653	2,718	4,020	1,351
Park and Recreation	18,192	370,184	274,242	114,134
Park Nonreverting	26,455	5,310	1,200	30,565
Baseball Nonreverting	1,500	50	-	1,550
Police Nonreverting	-	750	-	750
Trash	23,241	196,098	188,193	31,146
Fire Building Debt	350	160,994	144,006	17,338
Cumulative Capital Improvement	128,754	16,058	-	144,812
Cumulative Capital Development	252,781	80,415	-	333,196
Proprietary Funds:				
Water Utility - Operating	142,026	656,539	641,836	156,729
Water Utility - Improvement	570,643	291,145	259,518	602,270
Water Utility - Bond and Interest	178,414	120,374	144,120	154,668
Water Utility - Customer Deposit	10,520	2,602	2,290	10,832
Wastewater Utility - Operating	403,381	919,935	834,440	488,876
Wastewater Utility - Improvement	578,900	305,409	185,050	699,259
Wastewater Utility - Bond and Interest	356,133	250,725	295,442	311,416
Wastewater Utility - Customer Deposit	10,440	2,560	2,260	10,740
Fiduciary Fund:				
Payroll	10,320	525,882	523,427	12,775
Totals	<u>\$ 4,674,967</u>	<u>\$ 5,977,858</u>	<u>\$ 5,246,522</u>	<u>\$ 5,406,303</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 1,907,055	\$ 1,548,170	\$ 1,672,648	\$ 1,782,577
Motor Vehicle Highway	279,666	141,924	175,368	246,222
Local Road and Street	95,270	58,481	68,223	85,528
Donation	1,905	20	1,431	494
Law Enforcement Continuing Education	1,351	2,204	2,215	1,340
Park and Recreation	114,134	267,505	257,222	124,417
Park Nonreverting	30,565	2,565	9,967	23,163
Baseball Nonreverting	1,550	-	-	1,550
Police Nonreverting	750	5,334	1,930	4,154
Trash	31,146	203,931	193,032	42,045
Fire Building Debt	17,338	120,135	121,250	16,223
Cumulative Capital Improvement	144,812	13,302	-	158,114
Cumulative Capital Development	333,196	52,809	-	386,005
Stormwater	-	74,750	350	74,400
Proprietary Funds:				
Water Utility - Operating	156,729	666,721	687,439	136,011
Water Utility - Improvement	602,270	249,903	404,200	447,973
Water Utility - Bond and Interest	154,668	139,200	145,524	148,344
Water Utility - Customer Deposit	10,832	3,800	3,410	11,222
Wastewater Utility - Operating	488,876	909,719	919,645	478,950
Wastewater Utility - Improvement	699,259	360,827	66,564	993,522
Wastewater Utility - Bond and Interest	311,416	288,000	290,992	308,424
Wastewater Utility - Customer Deposit	10,740	3,689	3,346	11,083
Fiduciary Funds:				
Levy Excess	-	14,787	-	14,787
Payroll	12,775	557,425	557,301	12,899
Totals	<u>\$ 5,406,303</u>	<u>\$ 5,685,201</u>	<u>\$ 5,582,057</u>	<u>\$ 5,509,447</u>

The accompanying notes are an integral part of the schedules.

TOWN OF CICERO
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF CICERO
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into various debts such as general obligation bonds for the fire station building, capital lease for a rescue vehicle, revenue bonds for the Water Utility, revenue bonds for the Wastewater Utility, a loan for Water Utility, and a loan for the Wastewater Utility. The outstanding principal at December 31, 2005, was \$525,000, \$172,553, \$885,000, \$1,735,000, \$550,000, and \$1,172,000, respectively.

TOWN OF CICERO
EXAMINATION RESULTS AND COMMENTS

CUSTOMER DEPOSIT REGISTER

The detailed customer deposit register for the Water Utility and the Wastewater Utility do not reconcile with the customer deposit amounts recorded on the general ledger.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CERTIFIED REPORT NOT FILED

The Town did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the year 2004.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

TOWN OF CICERO
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2006, with Janice L. Unger, Clerk-Treasurer; and Carl A. Harvey, President of Town Council. The officials concurred with our findings.